

**REMARKS OF SENATOR LISA MURKOWSKI
ALASKA MINERS ASSOCIATION
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On October 18th, Alaska Day, we observed the 140th anniversary of the US purchase of Alaska from Russia.

And in just a few weeks Alaskans will kick off a yearlong series of events to commemorate the 50th anniversary of Alaska statehood. When I think about the proud history of Alaska and its people, I am humbled to realize that I represent the finest State in the Union.

When we think about the events and industries that have made Alaska what it is – a place to dream big - it is only fitting that we reflect on the central role played by mining and miners in the history of our Great Land.

To celebrate my own 50th birthday earlier this year, my family and I hiked the Chilkoot Trail in early July. This historic mountain pass, traversed by miners and prospectors during the Klondike Gold Rush of the 1890s, really made me think of Alaska's proud mining history.

As I prepared to ascend the Golden Stairs, retracing the steps of thousands of dreamers more than a century ago, I was thinking about an article that Steve Borell wrote in 2003 about the resurgence of Alaska's mining industry.

Steve points out that mining was Alaska's largest industry from 1880 until the start of World War Two. But on the eve of Alaska's statehood the hard rock mining industry was pretty darn non-existent.

In fact, from World War Two until 1989, other than some placer activity, there was very little hard rock mining activity anywhere in the State.

Then came Greens Creek and Red Dog. The modern era of mining in Alaska began in 1989.

We are pretty proud of those two properties.

Red Dog remains the world's largest zinc mine. Developed in partnership with the NANA Regional Native Corporation it has provided a needed financial boost to Kotzebue and the communities of Northwest Alaska.

Greens Creek, hidden in the pristine natural beauty of Admiralty Island, is often cited as example of how mining can occur in harmony with environmentally sensitive places.

As we approach the 50th anniversary of Alaska's statehood, our mining industry is healthy once again.

- Alaska's minerals industry produced a record high 3.5 Billion dollars worth of mineral products in 2006.**
- Mineral exploration expenditures jumped to 179 million dollars.**
- Development expenditures – 495 million dollars**
- Mining employment is on the rise again – with more than 3500 Alaskans working in the industry.**

I can't think of a nicer gift that this industry could give Alaskans on the 50th anniversary of its statehood than the knowledge and comfort that Alaska's mining heritage has not been lost to history.

The Alaska mining industry is enjoying a renaissance. It's about time!

Alaska's founding fathers and mothers did yeoman's work by creating a way for Alaskans to create an economy for their fledgling state. I don't know where we would be if we had to rely exclusively on the federal government for permission to mine.

One of the reasons Alaskans fought for statehood was because we wanted to control our natural resources. It is only fitting that so much of today's mineral exploration and activity is occurring on lands that were turned over to the State by the federal government under our statehood act.

That said, the federal government still owes Alaska a lot of land. I would like to see the day when the federal government has completed its work and transferred to the State its entire land entitlement of about 105 million acres.

In 2004, Congress passed my bill, the Alaska Land Transfer Acceleration Act, which provided the federal government with the tools to speed up the conveyance of lands to the Alaskans who will ultimately own them.

Both the State and the federal government say that this legislation is working and land transfers are occurring at an accelerated pace. I say, not fast enough.

The Land Transfer Acceleration Act also directs the federal government to pick up the pace of transferring lands owed to our Native Corporations under the 1971 land claims settlement.

It bears noting that the Alaska Native community has emerged as a key ally of Alaska's mineral industry. Mineral development – when done right – offers the opportunity for Alaska's Native Corporations to put their shareholders to work without impairing other natural resources and the subsistence lifestyle. It creates year round wage employment in remote places of Alaska that cannot otherwise sustain a cash economy.

Just this week, I received a visit from a delegation of Native leaders from Southeast Alaska who asked that I do all that I can to get the Kensington Mine up and running.

The Kensington Mine enjoys the support of Southeast's most respected Native organizations – from the Central Council, Tlingit and Haida Tribes to the Alaska Native Brotherhood and Alaska Native Sisterhood.

Bill Martin, the President of Tlingit and Haida, states the case most eloquently in observing that “No other company has done more than Coeur Alaska to recruit, train and employ Alaska Natives.”

I appreciate the tough road that Coeur has faced in the courts of law. But let me also suggest that we should admire Dennis Wheeler for his successes in the court of public opinion.

Juneau is one of Alaska's most politically diverse communities. It is no small accomplishment when people who ordinarily don't speak to each other about politics join together to express their support for the Kensington mine project.

This exceptional level of community support deserves to be rewarded. I am doing all that I can to encourage a negotiated resolution of the litigation so that we can put people to work at the Kensington Mine and grow the economy of Southeast Alaska. I hope that each of you will do your part too.

The theme of this conference, “A Social License to Operate” is a good one. It reminds each and every one of us that if this industry is going to continue its success in Alaska it will be because it has earned the

confidence of Alaskans. Your industry has a long history of appreciating its social responsibilities. But remember always that the public's confidence can be lost with just a few mistakes.

We are seeing this very issue play out as Alaskans are urged to judge the future of this industry on the mistakes of irresponsible mining in Colorado not the successes at Greens Creek, Fort Knox and Pogo here in Alaska.

And we are seeing this issue play out in the conversation over mining law reform that is playing out on Capitol Hill. There seems to be one thing that unites the mining industry, the environmental community and my colleagues on the Senate Energy Committee. We all believe that federal mining law is in need of reform. The law is 135 years old - almost three times as old as our state.

But some see mining law reform as an opportunity to punish the domestic mining industry rather than grow it.

This comes through clearly in the bill that came over from the House. In the Senate many of us are skeptical that the bill that came to us from the House is the way to go.

Senator Pete Domenici, the top Republican on the Senate Energy Committee, believes that the Senate should start with a clean slate and draft legislation that will make reasonable changes to the mining law. I agree with him.

Rather than rubber stamp the House passed bill, I am hopeful that the Senate will take a fresh look at the many critical issues that affect the future of your industry here in America.

- At the top of this list is the royalty structure and whether changes should be prospective or retroactive in application.
- Giving your industry the certainty that development can follow successes in exploration. We appreciate that your industry needs security of tenure if we are going to make the patent moratorium permanent.
- Ensuring that environmental requirements are predictable and are non-duplicative.

And of course, there's the issue of access to public lands for exploration. In most cases the present rule is "open unless closed." There

are about 49.6 million acres of federal land in Alaska open to mineral entry today.

There are some in Washington who want to change that rule to “closed until open.” As Steve Borell knows so well – closed until open is an invitation to litigate every attempt to open.

Alaskans already fought this battle in the years following the enactment of ANILCA. Sadly we discovered that “closed until open” means closed in all too many cases. I’m reluctant to repeat that experience on a nationwide scale.

Make no mistake about it -- there are substantial risks in mining law reform. But I also see opportunities.

The mining law debate provides an opportunity to focus on a long overdue question. That question is whether we ought to have a national minerals policy. I think we must.

Just as we have allowed ourselves to become dependent on foreign sources of petroleum, we have allowed ourselves to become dependent on foreign sources of minerals that are critical to our national economy and our national security.

It’s not clear that the federal government understands this. In recent years, the Congress has skirmished with the Interior Department time and again over whether geology should remain a core mission of the US Geological Survey.

Here in the State we’ve suffered the closure of the John Rishel Mineral Information Center in Juneau - BLM’s storehouse of Alaska’s geologic history. We’ve even had to establish a Mineral Data Information Rescue Initiative to ensure that sweat and blood of prospectors past is not lost to the trash heap.

Mining law reform provides an opportunity to remind the American people about how much we depend on the mineral industry.

I am pleased that this meeting is so well attended. Although much of America sees Alaska as the storehouse of America’s domestic oil and gas reserves – those in this room understand that Alaska is also America’s sleeping giant when it comes to minerals.

Whatever happens with mining law reform on the federal level, there remain substantial opportunities to uncover Alaska’s mineral wealth on the state lands and the Native Corporation lands.

With one proviso. Provided that the Alaska public continues to believe that Alaska mineral development is development done right.

Yours is an industry that offers as much promise for Alaska's future as it did at Alaska's birth. It creates jobs for Alaskans. It creates a tax base for Alaska communities. It contributes a secure source of critical minerals to protect America. I am delighted to join with you today as we grow Alaska's minerals industry in the 21st Century.

Thank you and good afternoon.